

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 586**  
**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

DATED: APRIL 29, 2024

**SUMMARY**

- Synopsis:** Requires expanded use of affordable housing voucher program funding for homeownership expense assistance.
- Type of Impact:** Potential increases in State and local expenditures.
- Agencies Affected:** Department of Community Affairs, certain local housing authorities.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>Potential State Expenditure Increase</b>	Indeterminate
<b>Potential Local Expenditure Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill may result in a State expenditure increase for the Department of Community Affairs associated with the establishment and administration of a new homeownership program within the existing State Rental Assistance Program.
- This bill would require expanded use of the funds in the existing State Rental Assistance Program. These uses would reduce the funds available to the other programs funded through the State Rental Assistance Program.
- The OLS finds the bill's requirement that local housing authorities implement the federal Section 8 Housing Choice Voucher Homeownership Program may result in expenditure increases for those local entities.

**BILL DESCRIPTION**

This bill would require expanded use of funds from the existing State Rental Assistance Program through the establishment and administration of a program comparable to the federal section 8 Housing Choice Voucher Homeownership Program, enabling a household to use a

program voucher to buy a home and receive monthly assistance in meeting homeownership expenses.

The bill would also require housing authorities created or continued pursuant to the Local Redevelopment and Housing Law, P.L.1992, c.79, that administer funding through the federal section 8 Housing Choice Voucher Program to use a portion of available funds to implement the Housing Choice Voucher Homeownership Program, established under federal law.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that this bill may result in a State expenditure increase for the Department of Community Affairs associated with the establishment and administration of a new homeownership program within the existing State Rental Assistance Program. The program provides grants comparable to the federal Section 8 program to State residents not currently holding such federal vouchers. For context, the State Rental Assistance Program has received an annual appropriation of \$18.5 million each year in FY 2014 through FY 2024, as well as a transfer of at least \$20 million from the New Jersey Affordable Housing Trust Fund in each fiscal year going back to FY 2011.

This bill would require expanded use of the funds in the existing State Rental Assistance Program. These uses would reduce the funds available to the other programs funded through the State Rental Assistance Program. The addition of a new program without an increase in funding is expected to result in a decrease in available funding to the existing programs. The new program would be administered through the department alongside the existing programs.

The OLS also finds the bill may result in expenditure increases for certain local housing authorities. The bill's requirement that local housing authorities implement the federal Section 8 Housing Choice Voucher Homeownership Program may result in expenditure increases for those local entities. Currently, local housing authorities are permitted, but not required, to implement this program.

The OLS is unable to estimate the number of households that may apply for State Rental Assistance Program funding under the new homeownership program established pursuant to the bill. Additionally, the bill requires the department to promulgate rules and regulations, which are expected to include provisions concerning the amounts or percentages of funds reserved for specific purposes. The OLS is unable to estimate the specific content or impact of the rules and regulations that would be adopted.

*Section:*            *Local Government*

*Analyst:*          *Grace Ahlin*  
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*Approved:*        *Thomas Koenig*  
                         *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).